Government of Saskatchewan

Annual Report 1984-85

Saskatchewan Co-operation and Co-operative Development

86-01691/

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Annual Report 1984-85

for the fiscal year ending
March 31, 1985

Hon. Jack Sandberg
Minister

Saskatchewan
Co-operation and
Co-operative
Development

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Regina, Saskatchewan
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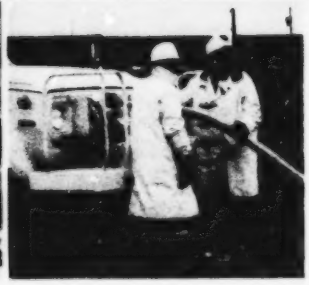


Letters of Transmittal

The Honourable Frederick W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit herewith the 41st annual report of the Department of Co-operation and Co-operative Development for the fiscal year ended March 31, 1985.

Respectfully submitted,

Jack Sandberg
Minister
Saskatchewan Co-operation
and Co-operative Development

The Honourable Jack Sandberg
Minister of Co-operation and
Co-operative Development
Regina, Saskatchewan

Sir:

I have the honour to submit for your consideration the annual report of the Department of Co-operation and Co-operative Development for the year ended March 31, 1985.

Respectfully submitted,

Bill Reader
Deputy Minister

Introduction

The past year was one of growth and initiative for the department and Saskatchewan's co-operative sector. The department supported government priorities by encouraging and assisting in the development of viable, innovative co-operative enterprises. These co-operatives are creating employment, providing investment opportunities, and establishing secondary industries to stimulate economic development. The co-operative sector continues to gain increased recognition as a valuable part of Saskatchewan's economy.

During the year, fifty-five co-operatives were incorporated throughout the province in areas such as agriculture, childcare, community service, employment, housing, marketing, production and recreation.

The Co-operatives Act, which came into effect in 1983, was well received by the co-operative sector. The department continued to assist co-operatives to revise their bylaws in accordance with the new legislation.

The department held public and sector meetings to discuss revisions to The Credit Union Act. Provisions for more responsible self-regulation on behalf of credit unions are incorporated in the proposed new act, with the final draft near completion.

The department implemented steps to increase administrative efficiency, use existing resources in the most efficient manner, and streamline service delivery. Emphasis was placed on professional development programs, enhancement of field services delivered through the department's district offices, and expansion of support services provided by head office.

The department continued to maintain a strong liaison with government departments and agencies responsible for social services, health care, housing programs, development funds, agricultural programs and services, and in the development of small businesses. We also served as a liaison between the co-operative sector and provincial government departments.

Department officials participated in more than 30 anniversaries and official opening ceremonies of co-operatives and credit unions, including the 75th anniversary of the Co-operative Union of Canada and the 50th anniversary of Consumers' Co-operative Refineries Limited. The department and numerous co-operatives and credit unions celebrated national Co-op Week, October 15-20. We hosted the annual Saskatchewan Co-operative Merit Awards Ceremony on October 15 to honour 10 individuals for their outstanding contributions to co-operative development.

The department hosted The National Association of Administrators of Co-operative and Credit Union Legislation Conference in Waskesiu, June 24-28, 1984, and a national Employment Co-operatives Conference in Saskatoon, February 26-28, 1985.

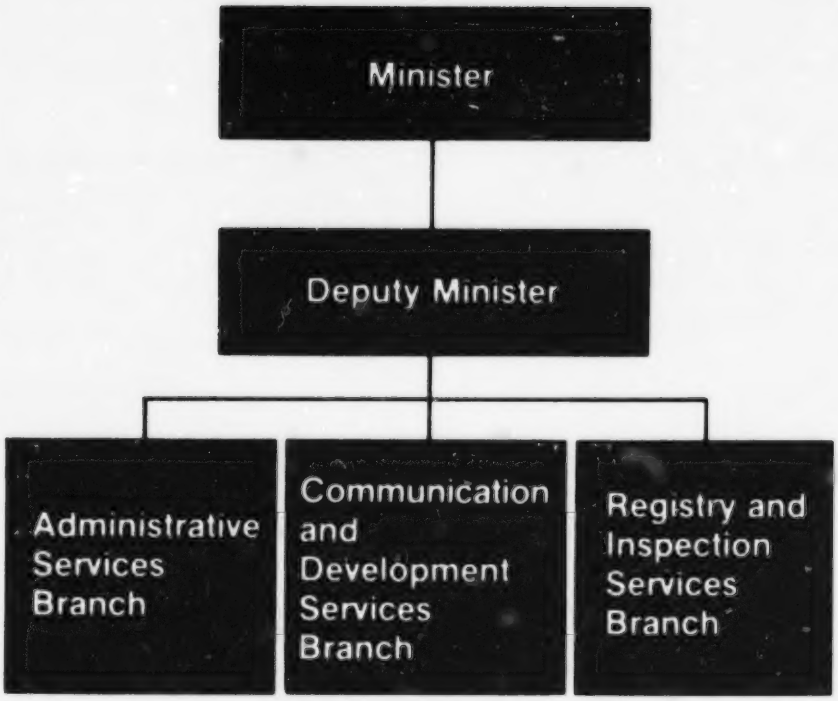
Ongoing consultation with the co-operative sector continued to be a top priority. The department hosted two meetings between the presidents and chief executive officers of major Saskatchewan co-operatives and the Minister of Co-operatives. Discussions focused on economic development opportunities in the province with emphasis on agriculture, rural development, health care, senior citizens, and employment.

New mechanisms for a co-ordinated approach to "development co-operation" were also discussed at these meetings. Development co-operation is the concept of a co-operatively owned development corporation that would explore new opportunities for co-operative development and provide expertise in the areas of marketing, management, research and financing.

The department's programs and services continued to be well received by the co-operative sector, and we are pleased and encouraged by the positive impact by co-operatives upon the Saskatchewan economy.

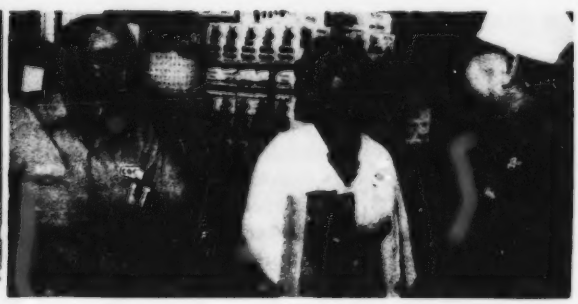
Bill Reader
Deputy Minister

Organizational Chart



Objectives

- to facilitate and assist in the promotion and development of co-operative enterprise by direct contact, education and provision of support services and materials.
- to develop and provide departmental administrative and support systems necessary to enable the department to function effectively and productively.
- to administer the Co-operatives Act, the Credit Union Act, the Co-operative Guarantee Act, and the Family Farm Credit Act.



Administrative Services Branch

Objectives

- provides general administrative support for the department;
- provides workshops on the Co-operative Learning model to educators in schools and universities and to other interested parties;
- provides a management consulting service for department staff;
- provides advice on legislation and regulatory reform to other branches;
- co-ordinates the Regulatory Reform Program;
- provides financial assessments and follow-up for any grant, loan and guarantee application;
- acts as a secretariat for the Co-operative Guarantee Board.

Co-operative Education Unit

The education unit provides in-service training and consultation services to Saskatchewan educators including local school boards, the Saskatchewan Teachers' Federation, the University of Saskatchewan, the University of Regina and community organizations.

In-service training focused on two main programs: co-operative games and co-operative group learning. As well, sessions focusing on communication skills, leadership and team building for staff development were introduced. Both programs were implemented at the elementary and secondary school levels. Demand for in-service training during 1984-85 resulted in 50 workshops held throughout the province. More than 3,000 people participated.

Consulting Services

The Consulting and Financial Services Section of the branch provides management consulting services to staff upon request. These services are provided in areas such as strategic planning, operations, financing, marketing, feasibility studies, long range planning, organizational structures, and bylaw preparation. In addition, consulting is provided on legal matters pertaining to legislation administered by the department.

Department consultants review the feasibility reports on all applications for incorporation on behalf of the Registrar. This assessment provides both the Registrar and development staff with an overview of the strengths and weaknesses of the project, enhancing the probability of success.

Advice and consulting services are provided to other branches in the department engaged in research projects. This advice and consulting contributes to the development of models and background material related to a variety of new co-operative business applications.

The Co-operatives Act and Regulations

The branch worked closely with the department's staff to identify any problems resulting from proclamation of the new Co-operatives Act in October 1983.

Credit Union Act

In conjunction with the Registry and Inspection Services Branch, the consulting section co-ordinated the drafting of a proposed new Credit Union Act. Branch staff participated in meetings held with the credit union members and officials in preparation for the drafting of the proposed new Act.

Regulatory Reform

Ongoing activity is underway to repeal obsolete regulations, simplify procedures, and update policies to ensure the administration of legislation by the department is consistent and efficient. This activity includes co-ordinating the preparation of a new department policy and procedure manual.

The branch continues to provide resource and consulting services to the entire department as required. It also monitors the effect of legislation, regulations and policies of other departments or governments on co-operatives and credit unions.

Grants, Loans, and Investments

The consulting section reviews all requests for financial assistance made through the department.

Secretariat for the Co-operative Guarantee Board

The branch acts as secretariat for the Co-operative Guarantee Board.

Co-operative Guarantee Board

The Co-operative Guarantee Board was established in 1947 under the provisions of The Co-operative Guarantee Act (R.S.S. 1978, Chapter 35). Members of the Board at March 31, 1985 were:

Mr. Bill Reader, Regina, Chairman
Mr. Les Linnel, Weyburn
Mr. Morley I. Meiklejohn, Regina
Mr. Henry Zacharias, Meadow Lake
Mr. Winston G. Ho-Fatt, Regina, Secretary

Purpose

The government, through The Co-operative Guarantee Act, acts as a guarantor of last resort to assist in the development of viable co-operative enterprises. The Co-operative Guarantee Board approves guarantees for projects which are potentially viable and can be of economic and social benefit to the people of Saskatchewan, but which cannot be financed through conventional lenders for various reasons. The novelty of the project, lack of sufficient equity financing, location of the business, or economic status of members could affect the borrowing ability of a new co-operative venture.

Operations During Past Fiscal Year

No new guarantee applications were received for consideration in the 1984-85 fiscal year.

Two loan guarantees were in effect at March 31, 1985. The amount of the loans outstanding totalled $3,374,388.47 and the amount guaranteed was $2,999,388.47.

Table I details the contingent liability for loan guarantees provided under The Co-operative Guarantee Act. The annual number of loans approved for guarantees in the last 11 years is recorded in Table II.

Co-operative Guarantee Act

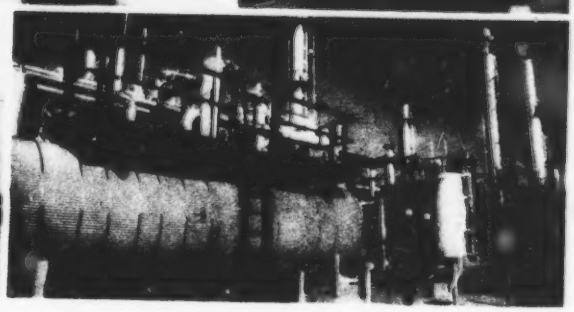
Table I
Government Contingent Liability
$

Year Ending March 31	Aggregate Loans Outstanding [1]	Guaranteed Portion of Loan Amounts Outstanding			
		Shared Loss [2]	Other [3]	100% [4]	Total [5]
1974	1,126,548.53	100.10	250,000.00	692,684.18	942,784.28
1975	2,930,765.84	—	1,006,922.00	1,773,843.14	2,780,765.14
1976	5,896,530.41	—	1,407,232.15	3,517,676.82	4,924,908.97
1977	5,668,066.76	9,703.00	1,241,644.85	3,640,343.01	4,891,690.86
1978	7,850,794.12	—	1,438,763.37	5,121,396.20	6,560,159.57
1979	12,117,254.12	—	5,667,740.84	5,582,997.99	11,250,738.83
1980	6,757,182.18	—	2,766,544.86	3,285,365.96	6,051,910.82
1981	5,344,505.62	—	2,659,148.67	2,310,356.95	4,969,505.62
1982	3,301,714.35	—	2,628,273.79	298,440.56	2,926,714.35
1983	3,278,679.80	—	2,625,000.00	278,679.80	2,903,679.80
1984	3,250,845.24	—	2,625,000.00	250,845.24	2,875,845.24
1985	3,374,388.47	—	2,625,000.00	3,741,388.47	2,999,388.47

[1] Total original loans still outstanding.
[2] Losses shared on a percentage basis.
[3] Losses shared up to specified dollar amount.
[4] Losses guaranteed at 100% to maximum amount.
[5] Balance outstanding (original principal minus amount paid back).

Table II
Number and Amount of Loans
$

March 31	Approved		Aggregate Loans Outstanding	
	Number	Amount	Number	Amount
1974	10	2,053,408.00	10	1,126,548.53
1975	19	13,118,906.00	20	2,930,765.84
1976	20	12,556,922.00	29	5,896,530.41
1977	12	4,524,600.00	28	5,668,066.76
1978	12	6,063,000.00	26	7,850,794.12
1979	6	5,058,565.00	23	12,117,254.14
1980	3	1,460,965.00	17	6,757,182.18
1981	4	2,554,000.00	7	5,344,505.62
1982	2	550,500.00	5	3,301,714.35
1983	—	—	3	3,278,679.80
1984	—	—	2	3,250,845.24
1985	—	—	2	3,374,388.47



Communication and Development Services Branch

Objectives

- provides liaison between the provincial government and the directors, officials and members of Saskatchewan's co-operative sector;
- provides information about the co-operative business structure, co-operative business principles and practices, and programs of the department and government in general;
- develops and delivers programs designed to meet identified needs of co-operatives;
- provides advice and support to groups interested in the co-operative business structure;
- provides development advice leading to the incorporation of a co-operative;
- advises on viability and operating practices for co-operative enterprises;
- provides management advice on legislative requirements; board, management and member roles and responsibilities; bylaws; accounting-bookkeeping; and annual returns.

The year 1984-85 was an excellent year for co-operative development in Saskatchewan. During the reporting period, 55 new co-operatives were incorporated.

A reorganization of field services brought department Co-operative Management Advisors closer to the districts they serve, and equalized the number of co-operatives in each field office district. Development staff were increased in Swift Current, Prince Albert and La Ronge and a new field office was opened in Moose Jaw.

Interest in co-operative enterprises continued to increase throughout Saskatchewan, and the department provided development assistance, training programs and other support services from the initial planning stages through to incorporation of new co-operatives.

During the year, the branch launched new initiatives in co-operative relations, communication services, program development and co-ordination, and co-operative development services.

Co-operative Relations

Co-operatives contribute significantly to the economic development of our province and our country. Governments recognize the important role of the co-operative sector and maintain good relations with co-operatives. The public and the business sector have also shown increased interest and recognition of the contribution of co-operatives in creating, stimulating and sustaining economic activity. Nine Saskatchewan co-operatives among the top 25 Saskatchewan companies indicates the impact co-operatives have in our province.

As part of the department's effort to strengthen government and co-operative relations, the branch pursued opportunities to work with other government departments. Staff served on several inter-departmental committees to outline the benefits of the co-operative business structure, and to speak on the opportunities for co-operative enterprise in government programs.

The branch continued its program of meetings and consultation between officials who work at the same level within their respective organizations. This program of building horizontal contacts between organizations is complemented at the field level through frequent contact of department field staff with co-operatives and credit unions in their districts.

Saskatchewan Co-operative Activities Council

The branch continued to participate in the Saskatchewan Co-operative Activities Council and provide secretarial services to the Council. The Council's aim is to provide a forum for the co-ordination of joint activities between participating co-operatives.

The Co-operative Merit Awards Program, held annually, is the result of a joint effort between the Council and the department. The program, sponsored by the department and organized by the branch, recognizes the outstanding contributions made by individuals to co-operative enterprise both within local communities and at provincial and national levels.

Communication Services

The branch provides communication services to support department operations and objectives. These services include: inquiry assistance, news media relations, publications, audio-visual materials, advertising and public relations. Development of a quarterly newsletter titled "Initiatives" enhanced department communication with its key audiences. The newsletter contains articles about government programs and recent co-operative developments.

New information materials describing the potential of employment co-operatives were prepared by the branch and served as support material for the national conference on "Employment Co-operatives" co-ordinated by the branch. These materials included a pamphlet, an audio-visual presentation and a display.

A new internal newsletter titled "Branch Times" was produced bi-weekly and distributed to staff. The purpose of this newsletter is to improve communication between department staff and to keep staff informed about new programs, co-operative developments and changes in policy.

The branch undertook various public relations activities including: co-ordination of special events, anniversaries and openings; presentations of plaques and awards; preparation of speech materials for senior department staff; and participation in exhibits and conventions.

Program Services

Liaison with other government departments, staff training and program development are the main responsibilities of the new Program Services area of the branch. Staff worked with several government departments to develop and co-ordinate programs. New business models of co-operative enterprise were developed to facilitate the incorporation of employee-owned co-operatives, feeder co-ops, community development co-ops, co-op farms, and fire prevention co-ops.

Branch staff worked with Saskatchewan Agriculture and livestock growers to organize feeder associations under the Feeder Loan Guarantee Program. As a result, 12 feeder co-operatives were incorporated in the 1984-85 fiscal year.

The branch worked closely with the Department of Tourism and Small Business to assist Co-operative Management Advisors in all aspects of preparing a business plan.

Staff initiated the development of an inter-departmental committee on employment co-operatives. Government departments involved include: Tourism and Small Business, Advanced Education and Manpower, Social Services and the Employment Development Agency. The purpose of this committee is to identify opportunities for the development of employment co-operatives through joint program planning.

The department became an associate member of the Saskatchewan Committee on Rural Area Development during the year. The department's role on the committee is to provide recommendations on co-operative development opportunities in rural areas.

New emphasis was placed on staff training. Department fieldstaff and fieldstaff of the Saskatchewan Wheat Pool attended a joint training seminar examining adult education principles and their relevance to development work. This seminar and other measures are part

of an ongoing process to bring staff skills in line with an increasing variety of co-operative business applications.

During the year, the Resource Centre handled an increasing number of information requests on behalf of department staff, other government departments, and the public. The centre also maintains liaison with other libraries and government resource centres.

Co-operative Development Services

Co-operative Management Advisors are located in 11 regional offices throughout Saskatchewan — Regina, Moose Jaw, Saskatoon, Prince Albert, Tisdale, Yorkton, Estevan, Swift Current, Kindersley, North Battleford and La Ronge.

The department's top priority during the year was to work closely with the co-operative sector to help the province meet two particular challenges: to provide increased security for family farms and to create employment opportunities.

Of the 55 new co-operatives incorporated during the year, 21 are related to agriculture and four are employment co-operatives. Examples from 1984-85 incorporations include:

- 12 feeder co-operative associations incorporated to take advantage of the Feeder Loan Guarantee Program of Saskatchewan Agriculture;
- a soil conservation co-operative incorporated to halt erosion and soil degradation in conjunction with programs offered by the Prairie Farm Rehabilitation Administration (PFRA);
- 16 childcare and nursery co-operatives incorporated to enable parents to participate in services provided by these centres;
- two farmers' markets incorporated to provide markets for locally produced and crafted products;
- three farm machinery agency co-operatives incorporated to take advantage of savings and security arrangements gained through pooling of farm machinery;
- two continuing housing co-operatives incorporated to provide housing facilities for members.

A district management concept was adopted by department Co-operative Management Advisors as a result of a reorganization of field services. This new concept brought greater participation of staff in program direction within their respective districts, and staff training was increased in the area of management skills. New support materials were developed to assist field staff to undertake development work especially in the area of viable business plans. Development staff continue to help groups identify the business structure they require, and provide development advice to those who feel the co-operative structure is best for their purposes. This advice includes viability of the potential enterprise, incorporation documentation and bylaw preparation.

Co-operatives have a vital role in the economic development of northern Saskatchewan. Branch staff help northern residents identify new development opportunities, and provide the information and support necessary to undertake ventures such as fishing, wild rice and childcare co-operatives. Staff assisted in the writing of 45 grant applications worth more than $1,000,000, creating 14 permanent jobs and 300 temporary jobs.

Co-operative Management Advisors worked with managers of fishing co-operatives. Meetings were co-ordinated with the Fresh Water Fish Marketing Commission, Northern Services, and Indian Affairs of the federal government.

The branch continued to offer day care accounting training programs. This training program uses an integrated approach of overhead slides and accounting documents specifically designed for day cares.

Board training was also provided on request. This training program covers the role and function of the board as well as the duties and responsibilities of board members.

New Incorporations

Co-operative Associations incorporated from April 1, 1984 to March 31, 1985

Table III

Consumer/Retail/Group Buying/Direct Charge	4
Recreation	2
Housing	2
Preschool and Childcare	16
Machinery	3
Feeder	12
Marketing	2
Employment	4
Employee Benefits	1
Fire Protection	1
Soil Conservation	1
Communications	1
Seed Cleaning	1
Farmers' Market	2
Miscellaneous	3
Total	**55**

Table IV
Types of Co-operatives as of March 31, 1985

Consumer Retail (includes a number of buying clubs)	197
Community Recreation	339
Preschool and Childcare	111
Housing	21
Employment	5
Farms	37
Machinery	34
Fodder	9
Feeder	12
Grazing	137
Livestock Breeding	7
Seed Cleaning	10
Farmers' Market	27
Marketing	27
Federations	8
Miscellaneous	88
	1,069
Credit Unions	219
***Total**	**1,288**

*Some central co-operatives are not included here because they operate interprovincially under Federal Government charter, or are incorporated under special provincial legislation not administered by this department.

Incorporations	Date Incorporated
Consumer	
The Prince Albert Producer Purchaser Co-operative Limited	May 24, 1984
Valley Farm Supply Co-operative Limited	July 12, 1984
Agro Producer Purchasing Co-operative Limited	March 27, 1985
Community-Recreation	
Duperow Recreation Co-operative	July 20, 1984
The Zenon Park Development Co-operative Limited	November 29, 1984
Hitchcock Bay Co-operative	February 14, 1985
Community Service	
La Coopérative de Communication de Zenon Park	April 16, 1984
CIS Co-operative Limited	April 25, 1984
The Meadow Lake and District Farmers' Market Co-operative	April 30, 1984
Fides Co-operative	May 29, 1984
The Saskatchewan Co-operative Court Reporters Association	June 12, 1984
Co-operative Huggy Bears	July 12, 1984
Meota and District Busy Bee's Playtime Co-operative	August 17, 1984
Care-A-Lot Co-operative	September 4, 1984
Kids' Place Co-operative Child Care	September 11, 1984
The Family Day Care Providers Co-operative	September 13, 1984
Dalmeny Co-operative Play School	September 17, 1984
Humpty Dumpty Child Care Co-operative	September 21, 1984
La Coopérative Tape Tambour	September 25, 1984
West Central Volunteer Fire Co-operative	October 3, 1984
La Coopérative Des Petits Choup	October 15, 1984
La Co-opérative Les Petits Pouces	October 15, 1984
Silverwood Co-operative Preschool	November 15, 1984
Prince Albert Suntep Students Co-operative	December 3, 1984
Kiddies Co-operative Korner	December 4, 1984
La Coopérative des Petits Amis de Passe-Partout	January 2, 1985
Community Service Employment Co-operative	January 21, 1985
La Coopérative L'Arc En Ciel	February 12, 1985

Hudson Bay Child Care Co-operative	February 19, 1985
La Coopérative des Petits-Sauls	February 19, 1985
Esterhazy and District Farmers' Market Co-operative	March 27, 1985

Marketing

Prairie Rabbit Producers Co-operative Limited	May 1, 1984

Agriculture

Hillcrest Machinery Agency Co-operative Limited	May 4, 1984
Gronlid Grain Cleaning Co-operative Limited	May 17, 1984
Cutarm Co-operative Ltd.	October 10, 1984
Number One Feeder Co-operative Limited	December 11, 1984
Cattlemen's Credit Association Co-operative Limited	December 12, 1984
The Kelvington Feeder Co-operative Association Limited	January 10, 1985
Loverna Machinery Co-operative Limited	January 29, 1985
North-Hill Cattle Co-operative Limited	January 30, 1985
Crystal Lake Soil Conservation Co-operative	February 4, 1985
Short Grass Feeder Co-operative Limited	February 18, 1985
Proam Stock Co-operative Limited	February 18, 1985
Langham Feeder Co-operative Limited	March 7, 1985
Redberry Feeder Co-operative Association	March 7, 1985
Bar 25 Feeder Co-operative Limited	March 20, 1985
Manitou Feeder Co-operative Limited	March 27, 1985
Fort Pitt Cattle Feeder Co-operative Limited	March 27, 1985
Central Saskatchewan Feeder Co-operative Limited	March 27, 1985

Employment

Raven's Hill Reforestation Co-operative Limited	May 24, 1984
The Humane Organization for Participatory Experience Co-operative	June 27, 1984
The Carpentry Workers Co-operative Limited	October 15, 1984
Coteau Community College Co-operative Limited	October 15, 1984

Housing

Rainbow Housing Co-operative, Limited	October 2, 1984

Production

Prairie Shepherd's Marketing Co-operative Limited	January 30, 1985

Registry and Inspection Services Branch

Objectives

- facilitates public protection of member equity and deposits;
- ensures compliance to legislation governing co-operatives and credit unions;
- reviews and recommends amendments to existing credit union and co-operative legislation;
- provides examinations of credit unions and co-operatives on a request or priority basis;
- investigates credit union and co-operative member complaints;
- maintains the Register of Co-operatives and Credit Unions in Saskatchewan;
- acts as secretariat to the Co-operative Securities Board and the Family Farm Credit Committee;
- compiles statistics on all co-operatives and credit unions in Saskatchewan.

Co-operative and Credit Union Legislation

Credit union legislation, involving the total rewrite of The Credit Union Act and Regulations, is in its final stages of preparation. During the year, hearings were held to collect information from credit union representatives, management, and elected officials on a sector-wide basis. The proposed new Act reflects the concept of responsible self-regulation and is a milestone in legislation of its kind. Also, the scope and authority it provides to credit unions and their system is a deserving acknowledgement of their history and solid financial base as demonstrated to this government.

Highlights of the proposed new legislation:

- credit unions will have the powers of a natural person with limited restrictions;
- credit unions will be able to acquire risk capital by issuing equity shares, preferred shares, bonds, debentures, and other securities;
- credit unions will have more flexibility in approvals and loan limits with operational areas being governed by local policy;
- the external auditor's responsibilities are more detailed and required outputs are more clearly defined;
- changes to provisions for doubtful loans result in a very accurate reflection of assets and amounts required for reserves;
- the role and responsibilities of the Credit Union Deposit Guarantee Corporation will be refined so that the corporation can present itself as a credit union system institution rather than as an agency of government, although the structure of the board and the Registrar's powers remain the same;
- The legislation reflects a three-tiered approach to regulation beginning with the local credit union, then the Deposit Guarantee Corporation and then the government. Duties and responsibilities have been detailed in the proposed Act.

In the past, the main purpose of credit union examinations was to identify loan and legislative deficiencies to assist the credit union board and management in taking positive, corrective action. With the proposed new Credit Union Act and its three-tiered approach to self-regulation, the purpose of credit union examinations changes. Examinations will be expanded to encompass the entire credit union operation. The results of the examination will be discussed with the Deposit Guarantee Corporation. The Deposit Guarantee Corporation will follow up on any action required with the board of directors of the local credit union. Also, the examination program will be expanded to include reviews of the Credit Union Deposit Guarantee Corporation operations, policies and legislative obligations.

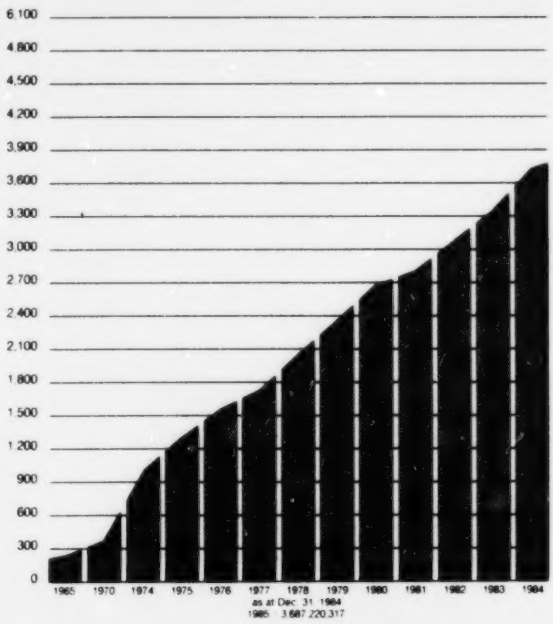
After more than a year of monitoring the Co-operatives Act, a number of amendments are being considered that will resolve areas of the Act that are not clearly defined. These amendments are generally of a minor housekeeping nature and will not materially alter the intent of the Act.

Registry and Inspection Services Branch Organization

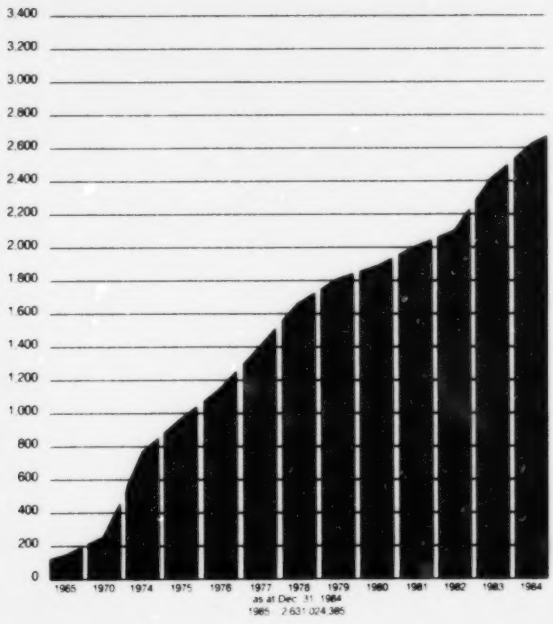
In the latter part of 1984, the Registry and Inspection Services Branch realigned its staff by function creating three divisions. These divisions are: Field Inspection Services, Registry Services and Securities. The change has resulted in improvements in both delivery of services and meeting overall branch objectives.

Credit Union Statistics

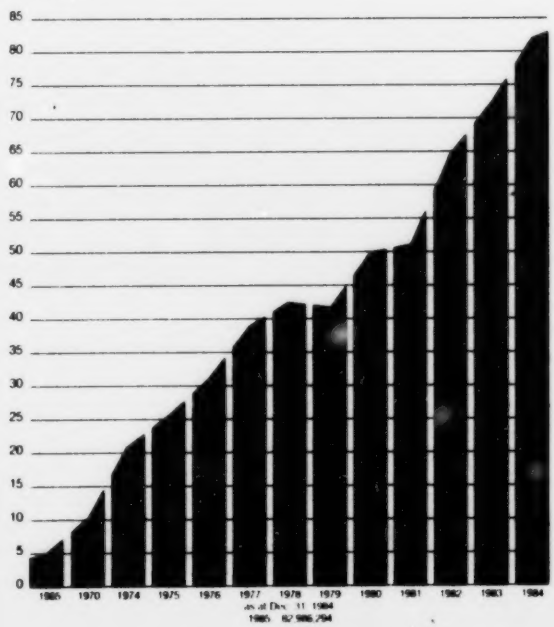
Assets
(millions $)



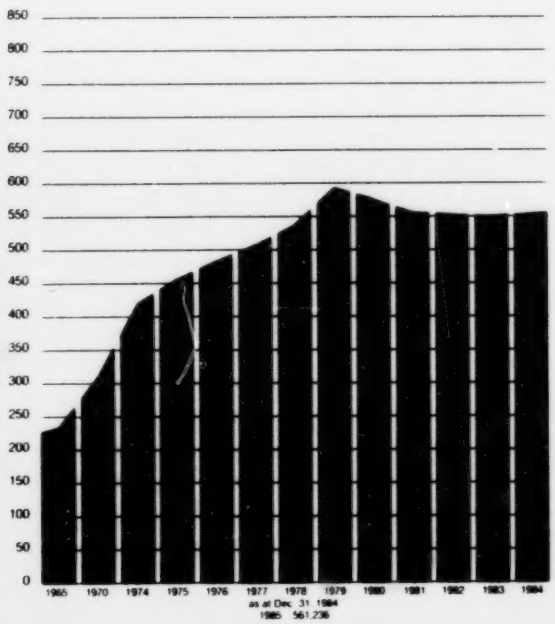
Loans Outstanding
(millions $)



Statutory Reserve
(millions $)



Membership
(thousands)



Field Inspection Services

Credit Unions
In the past year, 142 examinations of credit unions and branches were completed. Department staff continued to work closely with credit union officials, staff and system organizations such as Credit Union Central and Credit Union Deposit Guarantee Corporation. Some early ground work regarding the new Credit Union Act was carried out by representatives of the division in the course of their inspection work.

Co-operatives
Examination priority is given to co-operatives influencing other government programs and those co-operatives experiencing financial or administrative difficulty. Close co-ordination with the Communication and Development Services Branch is maintained for required follow-up action.

The division maintains the register of co-operatives and credit unions in Saskatchewan including those out-of-province credit unions and co-operatives which have been registered in Saskatchewan.

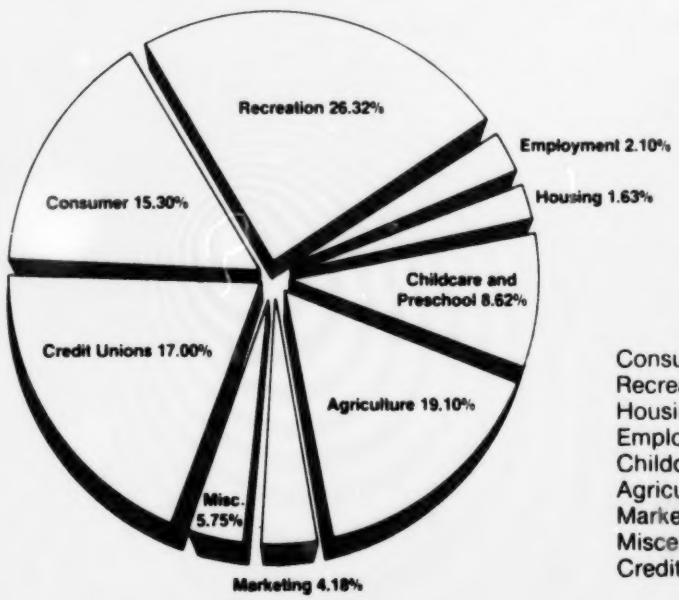
Registry Services

All applications for incorporation are reviewed to ensure that proper documentation, viability and bylaw requirements are met. A register is maintained recording all incorporations, amalgamations, dissolutions, changes to bylaws, and special resolutions.

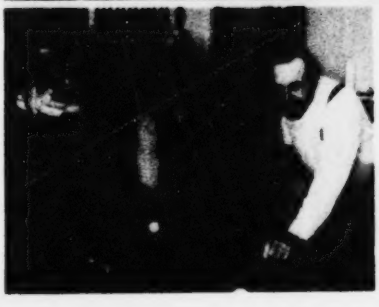
In the past year, a prime objective of the division has been to review bylaws and articles of incorporation as a result of The Co-operatives Act being proclaimed in 1983. More than 300 co-operatives have submitted new bylaws or articles of amendment to date.

Member Complaints
The branch acts as a third party in settling consumer complaints or other disputes which arise from time to time between members and their credit unions or co-operatives. The complaint is examined to determine the cause and nature of the problem and corrective action is recommended. The investigation of the dispute provides not only a resolution to the matter but also assists the organization in developing policies and procedures to avoid recurrence of similar problems.

Types of Co-operatives and Credit Unions as a percentage of the total register



Consumer	15.30%
Recreation	26.32%
Housing	1.63%
Employment	2.10%
Childcare & Preschool	8.62%
Agriculture	19.10%
Marketing	4.18%
Miscellaneous	5.75%
Credit Unions	17.00%
	100.00%



Securities

Statistics

The branch correlates statistics on all co-operatives and credit unions in the province. During 1984, the department's annual return forms were revised to incorporate more meaningful economic statistics. A new form was also created specifically for major co-operatives in order to obtain statistics relating directly to their Saskatchewan operations. Quarterly credit union statistical information is forwarded to the Financial Institutions Branch of Statistics Canada. Co-operative information is submitted annually to the Co-operatives Unit of the Federal Department of Agriculture. As well as providing internal statistical support services, the branch responds to requests for pertinent data related to co-operative and credit union economic activity.

Co-operative Securities Board

The Co-operative Securities Board was established by Order-in-Council on June 12, 1956, and was continued under subsection 223(1) of The Co-operatives Act of 1983. At March 31, 1985, the members of the Board were:

Leslie R. Tendler (Chairman)
David Calibaba
Bill Reader
Gunnar Pedersen
Delores Spreitzer
Monte Curle (Secretary)

Purpose

The functions of the Co-operative Securities Board are outlined in Part XIX of The Co-operatives Act. Briefly, the Board's purpose is to review issues of securities that are proposed by co-operatives incorporated or registered under the Act. Since the majority of co-operative securities issued are debt instruments, the Board reviews the financial position of a co-operative in order to determine the co-operative's ability to redeem the securities as they come due.

Operations

During the 1984-85 fiscal year, the Board met twice to review and approve thirteen applications for the sale of securities. These issues had a total value of $102,546,600. In addition to applications for the sale of securities the Board reviewed other items during its meetings. These include administration of redemption funds, general administration of previously approved issues, revisions to prospectus, amendments to existing issues and the policies of the Board.

Statistical Information

Since inception of the Co-operative Securities Board, 366 issues of securities worth a total of $665,942,100 have been approved. Of the aggregate approved, $406,830,050 remain in force. Of this amount, $116,867,628 of securities are still outstanding.

Except for one issue, where there was a loss to investors of $5,300, all securities approved by the Board since June 12, 1956, have been fully redeemed at maturity. This loss represents less than 1/1000 of 1% of the total value of securities approved.

Family Farm Credit Act

The purpose of this Act is to make long-term credit available to farmers to assist in the establishment and development of family farms as economic farm units; to assist in the transfer of family farms from members of one generation to members of a later generation; and, to assist in the enlargement or conversion of family farms that are uneconomic farm units into economic farm units.

Advisory Committee

When enacted in 1959, the Act stipulated that an advisory committee be established. As of March 31, 1985, the members of the committee were:

Bill Reader, Chairman
Morley Meiklejohn
Allan Mulholland
Monte Curle, Secretary

Loans

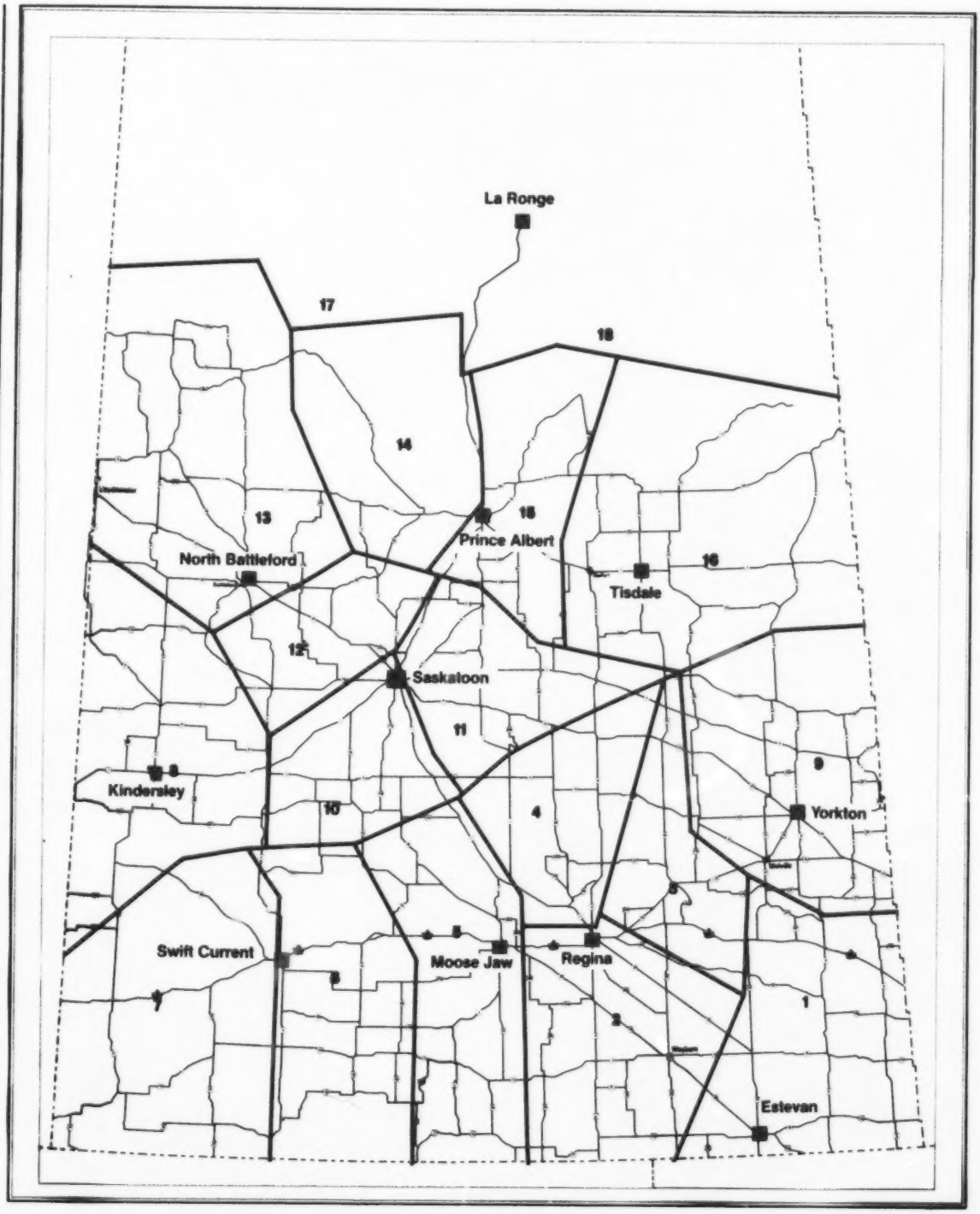
Loans under the Act were made by and are being administered by the Co-operative Trust Company of Canada. Five hundred and seventy-five loans have been granted amounting to $7,139,181. No new loans have been granted since 1966. The most recent examination indicated there were 56 loans worth $355,362 still outstanding. No losses are anticipated on any of these loans.

Securities

On May 10, 1960, to raise funds for the purpose of the Act, the government agreed to guarantee the repayment of principal and interest on securities issued by Co-operative Trust Company. A total of $7,140,725 in securities was subsequently sold. Of this amount, $4,406,600 was purchased by the government. To date, $6,715,725 of securities have been redeemed.

The 11 district offices of the department.

Regina
Saskatoon
Swift Current
Tisdale
Yorkton
Estevan
Kindersley
North Battleford
Prince Albert
La Ronge
Moose Jaw



Office Locations

Head Office
2055 Albert Street, 5th Floor
Regina, Saskatchewan
S4P 3V7
Telephone: 787-5258

Provincial Office Building
122 - 3rd Avenue North
Saskatoon, Saskatchewan
S7K 2H6
Telephone: 933-6260

350 Cheadle Street West
Swift Current, Saskatchewan
S9H 4G3
Telephone: 773-4281

100th Street
P.O. Box 2048
Tisdale, Saskatchewan
S0E 1T0
Telephone: 873-2555

A.G. Kuziak Building
72 Smith Street East
S3N 2Y4
Yorkton, Saskatchewan
Telephone: 783-3223

Derrick Plaza Building
1219 - 5th Street
Estevan, Saskatchewan
S4A 0Z1
Telephone: 634-5880

Provincial Building
P.O. Box 1861
Kindersley, Saskatchewan
S0L 1S0
Telephone: 463-3731

1192 - 102nd Street
North Battleford,
Saskatchewan
S9A 1E8
Telephone: 445-6267

800 Central Avenue
Prince Albert,
Saskatchewan
S6V 6Z2
Telephone: 953-2207

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Telephone: 425-4473

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